

AMENDED IN SENATE AUGUST 2, 2010

AMENDED IN SENATE JUNE 24, 2010

AMENDED IN SENATE JUNE 21, 2010

AMENDED IN SENATE JUNE 3, 2010

AMENDED IN SENATE JUNE 18, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 684

Introduced by Assembly Member ~~Buchanan~~ *Blumenfeld*

February 26, 2009

An act to add Section 26011.9 to the Public Resources Code, relating to technology financing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 684, as amended, ~~Buchanan~~ *Blumenfeld*. Technology financing: California Alternative Energy and Advanced Transportation Financing Authority Act.

(1) The California Alternative Energy and Advanced Transportation Financing Authority Act, administered by the California Alternative Energy and Advanced Transportation Financing Authority, among other things, authorizes the authority until January 1, 2021, to approve a project, as defined, for financial assistance in the form of a specified sales and use tax exclusion, in order to promote the creation of California-based manufacturing, California-based jobs, the reduction of greenhouse gases, or reductions in air and water pollution or energy consumption.

This bill would authorize the authority, *in coordination with the State Energy Resources Conservation and Development Commission*, to approve a project, as defined, ~~for financial assistance in the form of bond financing, loans, loan guarantees, loan risk-factor guarantees, product warranty guarantees, or federal loan contributions consistent with the purposes of the federal award~~ *establish the Clean Energy and Fuels Manufacturing Financial Assistance Program to solicit submission of applications from lender-applicants in the form of requests for bond financing, loans, loan loss reserve, or risk-sharing loan guarantees, for eligible projects, as defined*, in order to promote the creation of California-based manufacturing, California-based jobs, and the reduction of greenhouse gas, air, or water pollution. The bill would require the authority, *among other things*, to publish notice of the availability of financial assistance and would require the authority to adopt regulations to evaluate ~~projects~~ *lender-applicant applications* based on need, job development, environmental benefit, and financial risk.

The bill would authorize the authority, ~~in consultation with the State Board of Equalization and the Franchise Tax Board, to develop a program that allows for repayment of the financial assistance by providing an offset towards a company's repayment obligation based on specified state revenues generated as a result of the financial assistance or by a collective risk pool paid by private parties,~~ *among other things, to use federal funds, state special funds, or private funds to the extent those funds would be necessary to develop the program. The bill would also authorize the authority to establish a collective risk pool paid for by private parties if federal or state funds are not available.*

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 26011.9 is added to the Public Resources
- 2 Code, to read:
- 3 26011.9. (a) *The purpose of this section is to promote the*
- 4 *creation of California-based manufacturing, California-based*
- 5 *jobs, and the reduction of greenhouse gas, air, or water pollution.*
- 6 *In furtherance of this purpose and Sections 26011, 26011.5, and*

1 26011.8, the authority, in coordination with the State Energy
2 Resources Conservation and Development Commission (Energy
3 Commission), may establish the Clean Energy and Fuels
4 Manufacturing Financial Assistance Program to solicit submission
5 of applications from lender-applicants in the form of requests for
6 bond financing, loans, loan loss reserve, or risk-sharing loan
7 guarantees, for eligible projects.

8 (b) For purposes of this section, “project” means the
9 manufacture or purchase of a technology that would qualify for
10 financial assistance pursuant to Section 26011.8 by a
11 California-based company.

12 (c) The authority shall not implement this section until federal
13 funds, special funds, or private funds are available for purposes
14 of this section.

15 (d) (1) The authority shall prepare an application process to
16 evaluate the lender-applicant’s need for financial assistance.

17 (2) The authority shall publish notice of the availability of
18 financial assistance authorized by subdivision (a), and shall include
19 in the notice the criteria for approval, the application deadlines,
20 the qualified financial institutions, and the national certification
21 laboratories.

22 (e) The authority shall only approve applications for projects
23 that have reasonable prospects of repayment and sufficient funds
24 to complete the project.

25 (f) A qualified lender-applicant shall be responsible for the
26 overall financial structure of the proposal submitted to the
27 authority.

28 (g) The authority shall adopt regulations to evaluate
29 lender-applicant applications based on need, job development,
30 environmental benefit, and financial risk.

31 (h) The authority may investigate and implement a pilot program
32 to provide product warranty guarantees. The authority shall report
33 its findings on the results of the pilot program to the Legislature
34 in accordance with Section 9795 of the Government Code.

35 (i) (1) To the extent funds are required to implement the
36 program, the authority may use federal funds, state special funds,
37 or private funds to develop the program.

38 (2) The authority may include in the program the establishment
39 of a collective risk pool paid for by private parties if federal or
40 state funds are not available.

(3) *The authority may coordinate with the Capital Access Loan Program established pursuant to Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code to implement this section.*

(j) *The authority, in coordination with the Energy Commission, may identify eligible financial institutions and technology certification entities, or accept entities that qualify under the federal Energy Policy Act of 2005 (Public Law 109-58).*

(k) *The authority may develop regulations and program elements for the program using the federal loan guarantees for Commercial Technology Renewable Energy Generation Projects under the Financial Institution Partnership Program, established by the United States Department of Energy.*

SECTION 1. ~~Section 26011.9 is added to the Public Resources Code, to read:~~

~~26011.9. (a) The purpose of this section is to promote the creation of California-based manufacturing, California-based jobs, and the reduction of greenhouse gas, air, or water pollution. In furtherance of this purpose, the authority may approve a project for financial assistance in the form of bond financing, loans, loan guarantees, loan risk-factor guarantees, product warranty guarantees, or federal loan contributions consistent with the purposes of the federal award.~~

~~(b) For purposes of this section, "project" means the manufacture or purchase of a technology that would qualify for financial assistance under Section 26011.8 by a California-based company.~~

~~(c) The authority shall publish notice of the availability of financial assistance authorized by subdivision (b), including criteria for approval and application deadlines.~~

~~(d) The authority shall adopt regulations to evaluate projects based on need, job development, environmental benefit, and financial risk.~~

~~(e) The authority may develop a program, in coordination with the State Board of Equalization and the Franchise Tax Board, allowing for repayment of the financial assistance provided pursuant to this section by either or both of the following manners:~~

~~(1) Offsetting the repayment obligation of a company receiving financial assistance based on the amount of revenue received by the state by either of the following:~~

1 ~~(A) The state tax on the company's income and the company's~~
2 ~~employees' incomes resulting from the financial assistance.~~

3 ~~(B) The sales and use tax on the sale of a product of the company~~
4 ~~resulting from the financial assistance.~~

5 ~~(2) A collective risk pool paid by private parties.~~

6 ~~(f) The authority may coordinate with the Capital Access Loan~~
7 ~~Program established pursuant to Article 8 (commencing with~~
8 ~~Section 44559) of Chapter 1 of Division 27 of the Health and~~
9 ~~Safety Code to implement this section.~~

10 SEC. 2. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety within
12 the meaning of Article IV of the Constitution and shall go into
13 immediate effect. The facts constituting the necessity are:

14 To expedite the promotion of California-based manufacturing
15 and California-based jobs, the reduction of greenhouse gas
16 emissions, the reduction in air and water pollution, and the
17 reduction in energy consumption by providing, as soon as possible,
18 financial assistance to projects undertaken by California-based
19 companies, thereby preserving the public peace, health, and safety,
20 it is necessary for this measure to take effect immediately.